



General Assembly

January Session, 2005

## ***Amendment***

LCO No. 7975

**\*HB0694007975SR0\***

Offered by:

SEN. DELUCA, 32<sup>nd</sup> Dist.  
SEN. MCKINNEY, 28<sup>th</sup> Dist.  
SEN. CAPPIELLO, 24<sup>th</sup> Dist.  
SEN. COOK, 18<sup>th</sup> Dist.  
SEN. FASANO, 34<sup>th</sup> Dist.  
SEN. FREEDMAN, 26<sup>th</sup> Dist.

SEN. GUGLIELMO, 35<sup>th</sup> Dist.  
SEN. GUNTHER, 21<sup>st</sup> Dist.  
SEN. HERLIHY, 8<sup>th</sup> Dist.  
SEN. KISSEL, 7<sup>th</sup> Dist.  
SEN. NICKERSON, 36<sup>th</sup> Dist.  
SEN. RORABACK, 30<sup>th</sup> Dist.

To: Subst. House Bill No. 6940

File No. 792

Cal. No. 637

*(As Amended by House Amendment Schedules "A" and "B")*

**"AN ACT INCREASING THE AUTHORITY OF THE TREASURER  
WITH RESPECT TO THE USE OF UNAPPROPRIATED GENERAL  
FUND SURPLUS IN EXCESS OF THAT TRANSFERRED TO THE  
BUDGET RESERVE FUND."**

1 In line T13, strike "1,200,000" and insert in lieu thereof "900,000", and  
2 adjust agency, function and fund totals accordingly

3 In line T15, strike "517,300" and insert in lieu thereof "376,000", and  
4 adjust agency, function and fund totals accordingly

5 Strike line T345 in its entirety and adjust agency, function and fund  
6 totals accordingly

7 Strike lines T436, T445, T447, T449 and T452 to 456, inclusive, in

- 8 their entirety, and adjust agency, function and fund totals accordingly
- 9 Strike line T688 in its entirety, and adjust agency, function and fund  
10 totals accordingly
- 11 Strike line T1047 in its entirety and adjust agency, function and fund  
12 totals accordingly
- 13 Strike line T1656 in its entirety, and adjust agency, function and  
14 fund totals accordingly
- 15 Strike line T1747 in its entirety, and adjust agency, function and  
16 fund totals accordingly
- 17 Strike line T1756 in its entirety, and adjust agency, function and  
18 fund totals accordingly
- 19 Strike line T1758 in its entirety, and adjust agency, function and  
20 fund totals accordingly
- 21 Strike line T1760 in its entirety, and adjust agency, function and  
22 fund totals accordingly
- 23 Strike lines T1763 to T1767, inclusive, in their entirety, and adjust  
24 agency, function and fund totals accordingly
- 25 Strike line T2003 in its entirety, and adjust agency, function and  
26 fund totals accordingly
- 27 Strike line T2364 in its entirety, and adjust agency, function and  
28 fund totals accordingly
- 29 Strike section 71 in its entirety and insert the following in lieu  
30 thereof:
- 31 "Sec. 71. Subparagraph (B) of subdivision (20) of subsection (a) of  
32 section 12-701 of the general statutes is repealed and the following is  
33 substituted in lieu thereof (*Effective from passage and applicable to taxable*  
34 *years commencing on or after January 1, 2006*):

35 (B) There shall be subtracted therefrom (i) to the extent properly  
36 includable in gross income for federal income tax purposes, any  
37 income with respect to which taxation by any state is prohibited by  
38 federal law, (ii) to the extent allowable under section 12-718, exempt  
39 dividends paid by a regulated investment company, (iii) the amount of  
40 any refund or credit for overpayment of income taxes imposed by this  
41 state, or any other state of the United States or a political subdivision  
42 thereof, or the District of Columbia, to the extent properly includable  
43 in gross income for federal income tax purposes, (iv) to the extent  
44 properly includable in gross income for federal income tax purposes  
45 and not otherwise subtracted from federal adjusted gross income  
46 pursuant to clause (x) of this subparagraph in computing Connecticut  
47 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the  
48 extent any additional allowance for depreciation under Section 168(k)  
49 of the Internal Revenue Code, as provided by Section 101 of the Job  
50 Creation and Worker Assistance Act of 2002, for property placed in  
51 service after December 31, 2001, but prior to September 10, 2004, was  
52 added to federal adjusted gross income pursuant to subparagraph (A)  
53 (ix) of this subdivision in computing Connecticut adjusted gross  
54 income for a taxable year ending after December 31, 2001, twenty-five  
55 per cent of such additional allowance for depreciation in each of the  
56 four succeeding taxable years, (vi) to the extent properly includable in  
57 gross income for federal income tax purposes, any interest income  
58 from obligations issued by or on behalf of the state of Connecticut, any  
59 political subdivision thereof, or public instrumentality, state or local  
60 authority, district or similar public entity created under the laws of the  
61 state of Connecticut, (vii) to the extent properly includable in  
62 determining the net gain or loss from the sale or other disposition of  
63 capital assets for federal income tax purposes, any gain from the sale  
64 or exchange of obligations issued by or on behalf of the state of  
65 Connecticut, any political subdivision thereof, or public  
66 instrumentality, state or local authority, district or similar public entity  
67 created under the laws of the state of Connecticut, in the income year  
68 such gain was recognized, (viii) any interest on indebtedness incurred  
69 or continued to purchase or carry obligations or securities the interest

70 on which is subject to tax under this chapter but exempt from federal  
71 income tax, to the extent that such interest on indebtedness is not  
72 deductible in determining federal adjusted gross income and is  
73 attributable to a trade or business carried on by such individual, (ix)  
74 ordinary and necessary expenses paid or incurred during the taxable  
75 year for the production or collection of income which is subject to  
76 taxation under this chapter but exempt from federal income tax, or the  
77 management, conservation or maintenance of property held for the  
78 production of such income, and the amortizable bond premium for the  
79 taxable year on any bond the interest on which is subject to tax under  
80 this chapter but exempt from federal income tax, to the extent that  
81 such expenses and premiums are not deductible in determining federal  
82 adjusted gross income and are attributable to a trade or business  
83 carried on by such individual, (x) (I) for a person who files a return  
84 under the federal income tax as an unmarried individual whose  
85 federal adjusted gross income for such taxable year is less than fifty  
86 thousand dollars, or as a married individual filing separately whose  
87 federal adjusted gross income for such taxable year is less than fifty  
88 thousand dollars, or for a husband and wife who file a return under  
89 the federal income tax as married individuals filing jointly whose  
90 federal adjusted gross income for such taxable year is less than sixty  
91 thousand dollars or a person who files a return under the federal  
92 income tax as a head of household whose federal adjusted gross  
93 income for such taxable year is less than sixty thousand dollars, an  
94 amount equal to the Social Security benefits includable for federal  
95 income tax purposes; and (II) for a person who files a return under the  
96 federal income tax as an unmarried individual whose federal adjusted  
97 gross income for such taxable year is fifty thousand dollars or more, or  
98 as a married individual filing separately whose federal adjusted gross  
99 income for such taxable year is fifty thousand dollars or more, or for a  
100 husband and wife who file a return under the federal income tax as  
101 married individuals filing jointly whose federal adjusted gross income  
102 from such taxable year is sixty thousand dollars or more or for a  
103 person who files a return under the federal income tax as a head of  
104 household whose federal adjusted gross income for such taxable year

105 is sixty thousand dollars or more, an amount equal to the difference  
106 between the amount of Social Security benefits includable for federal  
107 income tax purposes and the lesser of twenty-five per cent of the Social  
108 Security benefits received during the taxable year, or twenty-five per  
109 cent of the excess described in Section 86(b)(1) of the Internal Revenue  
110 Code, (xi) to the extent properly includable in gross income for federal  
111 income tax purposes, any amount rebated to a taxpayer pursuant to  
112 section 12-746, (xii) to the extent properly includable in the gross  
113 income for federal income tax purposes of a designated beneficiary,  
114 any distribution to such beneficiary from any qualified state tuition  
115 program, as defined in Section 529(b) of the Internal Revenue Code,  
116 established and maintained by this state or any official, agency or  
117 instrumentality of the state, (xiii) to the extent properly includable in  
118 gross income for federal income tax purposes, the amount of any  
119 Holocaust victims' settlement payment received in the taxable year by  
120 a Holocaust victim, [and] (xiv) to the extent properly includable in  
121 gross income for federal income tax purposes of an account holder, as  
122 defined in section 31-51ww, interest earned on funds deposited in the  
123 individual development account, as defined in section 31-51ww, of  
124 such account holder, and (xv) to the extent properly included in gross  
125 income for federal income tax purposes, one hundred per cent of the  
126 income received from the United States government as retirement pay  
127 for a retired member of (I) the Armed Forces of the United States, as  
128 defined in Section 101 of Title 10 of the United States Code, or (II) the  
129 National Guard, as defined in Section 101 of Title 10 of the United  
130 States Code."